

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in July

The Chicago Business Activity Index (CBAI) decreased to 91.7 in July from 94.9 in June. The fall is attributed to the nationwide employment decrease in manufacturing and construction sectors.

In July, the national and regional economy shared mixed features. The Federal Reserve Board announced that total industrial production index unchanged at 99.0 in July after showing a slight increase (+0.1%) in June. Capacity utilization in all industry recorded 77.6% in July, down from 77.8% in the previous month. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) edged up to -0.15 in July from -0.23 in June due to positive contributions of sales and consumption. Midwest manufacturing output measured by the Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 0.1% in July due to negative contributions of auto and machinery sectors. In the Chicago region, employment in manufacturing and nonmanufacturing rose 0.38% and 0.21% in July while employment in construction decreased 0.03%. Retail sales are estimated to have risen 1.42% in July.

In the coming months, the national economy is likely to maintain its modest recovery trend. The economic growth reflected in the CFNAI-MA3 suggests that national economic activity was below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 169,000 in August, and the unemployment rate was little changed at 7.3%. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its modest improving trend over the next several months.

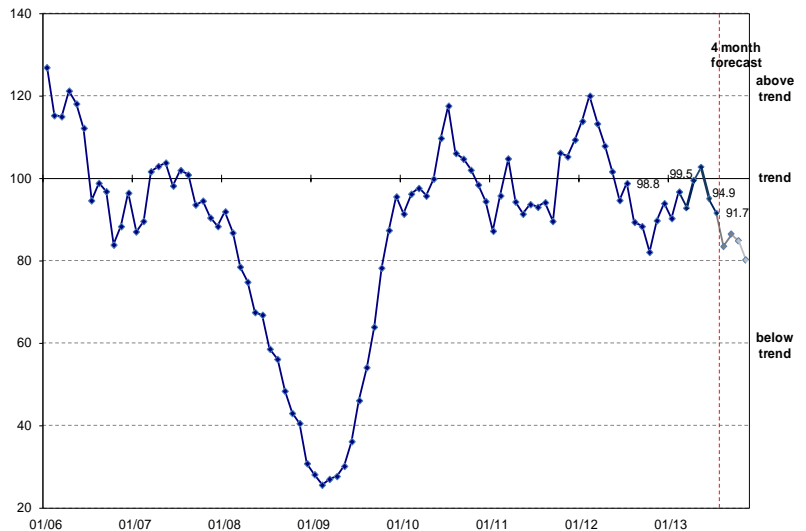
Chicago Business Activity Index

Release Date:
September 18, 2013

Next Release Date:
October 18, 2013

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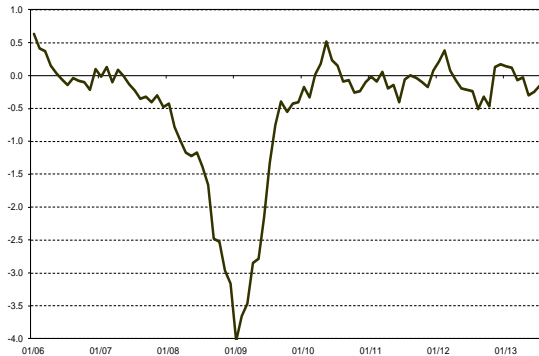
CBAI (Current: 91.7)			
	1 month	3 month	1 year
Historical (ago)	94.9	99.5	98.8
Forecast (ahead)	83.4	84.7	-



Chicago Business Activity Index

* National indicators are rescaled for comparison.

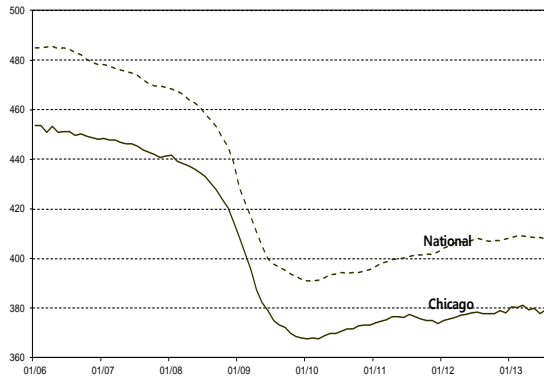
Chicago Fed National Activity Index (CFNAI-MA3)



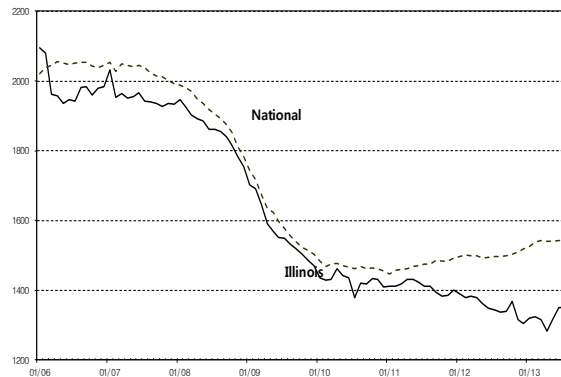
Chicago & National Retail Sales



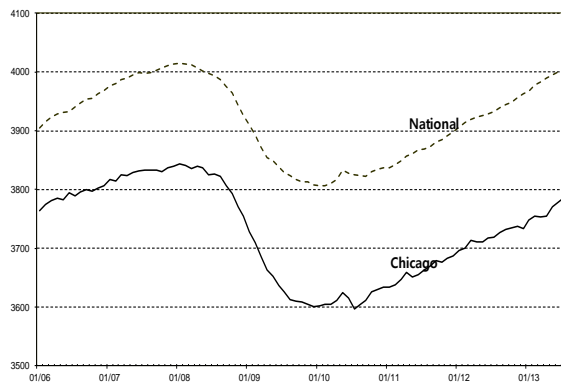
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.07	-0.23	-0.13	0.22	-0.04	0.38
NMfgn	1.81	0.39	0.10	1.83	0.86	0.21
Cons	3.04	0.10	-0.05	0.44	5.13	-0.03
Retail	5.90	1.89	0.42	5.75	0.83	1.42

Note: All series are seasonally adjusted.

The Chicago Business Activity Index (CBAI) is a monthly statistic that measures the changes in the business cycle status of the six-county Chicago region. The CBAI leads the local business cycle by three-to-four months. REAL's approach to constructing this index, using the principal components regression method, directs attention to the relationship between local and national business cycle.

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